Trade and Agriculture
What's at Stake for Florida?

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Florida is an important producer and exporter of agricultural products. In fiscal year 2000, Florida's cash farm receipts totaled $6.9 billion. Florida ranked 12th among all 50 States in 2000 with agricultural exports estimated at $1.2 billion. These exports help boost farm prices and income, while supporting about 17,000 jobs both on and off the farm in food processing, storage, and transportation. Exports remain important to Florida's agricultural and statewide economy. The State's reliance on agricultural exports was 18 percent in 2000.

Florida's top five agricultural exports in fiscal year 2000 were:

- fruits -- $ 622 million
- vegetables -- $127 million
- live animals and red meats -- $54 million
- animal feeds and fodders -- $53 million
- poultry meat and products -- $39 million

World demand for these products is increasing, but so is competition among suppliers. If Florida's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

Florida Benefits From Trade Agreements

Florida is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities for Florida include:

- Florida, the nation's leading orange and grapefruit producer, benefits from the Uruguay Round agreement as Japan and South Korea make substantial tariff reductions on a wide range of fresh and processed fruits. From 1995 to 2000, Japan lowered its tariffs on fresh oranges to 16 percent (out-of-season) and 32 percent (in-season), and its tariffs on fresh grapefruit to 10 percent. During the same period, Japan also lowered its tariffs to 23 percent on fruit juices containing not more than 10 percent sucrose by weight. Supported by this move, U.S. exports of these juices increased 67 percent since 1995, reaching $29 million in 2000.

  South Korea established a tariff-rate quota for oranges, and is reducing its tariffs from 99 to 50 percent by 2004. As tariffs fall, U.S. orange exports increased more than sevenfold from $5.2 million in 1995 to $38.8 million in 2000. South Korea is also reducing its lemon tariffs to 30 percent, and its tariffs on fresh grapefruit from 50 to 30 percent by 2004. Supported by lower tariffs, U.S. total fresh citrus exports to Korea jumped 142 percent from $20.9 million in 1995 to $50.6 million in 2000.

As one of the nation's two leading fresh tomato producers, Florida benefitted from an agreement with Japan that lifted all remaining restrictions on fresh U.S. tomatoes in 1999. As a direct result, U.S. fresh tomato exports to Japan skyrocketed from less than $25,000 to more than $3.9 million in 2000.

Florida benefitted under the North American Free Trade Agreement (NAFTA) when Mexico converted its import licensing system for corn to a transitional tariff-rate quota that will remain in effect until 2008. Under this system, the volume of U.S. corn exports to Mexico has nearly tripled since 1994, reaching 197 million bushels valued at $486 million in 2000. Under the Uruguay Round agreement, the Philippines converted its import ban on corn to tariffs. This change helped support additional demand for 51 million bushels of U.S. corn from 1995 to 2000.

Under the Uruguay Round agreement, Florida benefits because South Korea eliminated its import quotas on frozen chicken (whole and parts) in 1997, and is progressively reducing its tariffs to between 18 and 20 percent by 2004. These market-opening steps supported a rise in U.S. poultry exports to South Korea from 22,000 tons valued at $28 million in 1996 to 83,000 tons valued at $52 million in 2000. The Philippines opened a tariff-rate quota for poultry meat of 16,701 tons in 1998, which will reach 23,500 tons by 2004. This arrangement permitted U.S. poultry exports to rise from 2,700 tons valued at $3 million in 1997 to 17,000 tons valued at $14 million in 2000.

Under NAFTA, Mexico converted its import licensing regime for chilled and frozen poultry to a transitional tariff-rate quota that will be phased out by 2003. From 1993 to 2000, U.S. poultry exports to Mexico rose from 164,000 tons valued at $188 million to 281,000 tons valued at $243 million.